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file

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May 21, 1998

To: Karyl McClusky

Re: ROU Internal Audit Report

Dear Karyl:

The following Actions will be taken to improve controls in the New York Metro Region Operations Unit

1. I will personally review and approve all voucher requests over \$10,000 prior to making the actual request in TPS.
2. Newly assigned draft books will not be put into sales rep mail slots until right before making a mailing.
3. During your day on the trade, you notice that three retail accounts had product discounted at the wholesaler that was not marked, (black lined) by the wholesaler. Please keep in mind, that the marking of discounted packs at wholesale is a New York Metro Region practice, not company policy. The three retail calls all purchased their product from the same wholesaler. That wholesaler has been contacted to conform to our local policy.
4. We constantly remind our reps to check for stale product. A special letter will not be sent out at this time since it is a normal part of our accountability. The two calls where stale product was identified will be discussed with the individuals by the division manager.
5. As suggested, we have increased the frequency of verifying monthly volume/contract exceptions to monthly. DM's will respond to the ROU on all calls that are off by two or more grid levels.

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This should address all of the issues you identified during your audit. Thank you for your comments and recommendations to improve the efficient operation of our region. We all found the experience to be very positive and informative.

Sincerely,

Rory

cc: Dave Wilmesher
 Mark Young
 Mike McHugh

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